



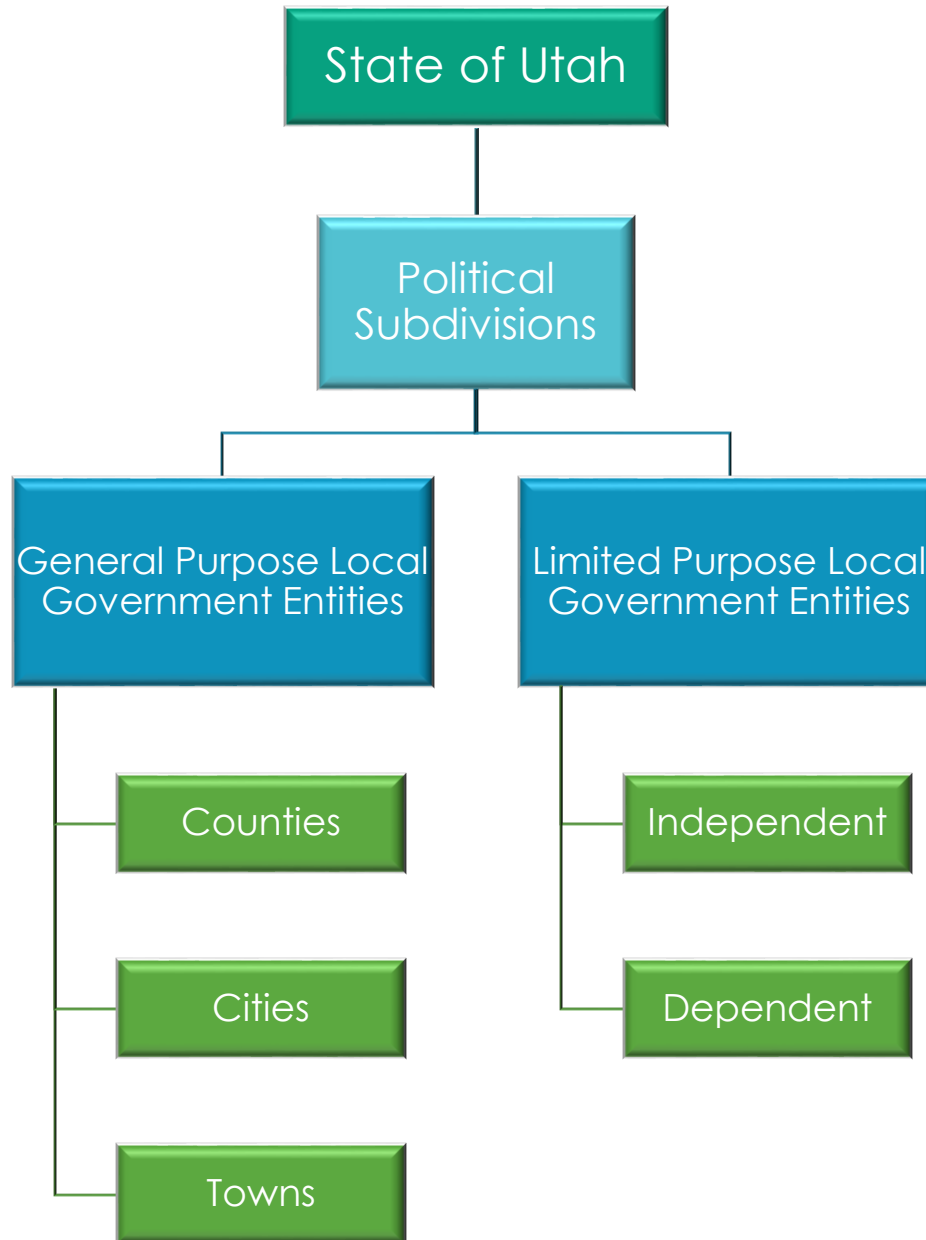
Limited Purpose Local Government Entities

Political Subdivisions Interim Committee - June 2016

Agenda

1. Review legislative history and purpose of limited purpose local government entities
2. Compare entities
 - Purpose
 - Creation process
 - Governance
 - Source of revenue
 - Fiscal procedures and oversight
 - Dissolution process
3. Discuss policy issues

What is a limited purpose local government?



"Authorized by state law to provide only one or a limited number of designated functions, and with sufficient administrative and fiscal autonomy to qualify as separate governments."
U.S. Census Bureau

Today's focus

Entities under the Political Subdivisions Interim Committee's Jurisdiction:

- Local District
- Special Service District
- Assessment Area
- Community Reinvestment Agency
- Interlocal Entity
- Conservation District
- Local Building Authority

Benefits and challenges

Benefits

- Supplement services provided by a general purpose government
- Overcome jurisdictional and financial barriers
- Direct cost-benefit

Challenges

- Accountability
- Transparency
- Fragmented service provision

Legislative history

1913

- Utah Code authorizes the formation of districts

Pre-1990

- Service districts and other local government financing mechanisms scattered throughout Utah Code

1990

- SB 57, Recodification of Special Districts

2006

- SB 196, Revisions to Redevelopment Agency Provisions

2007

- HB 65, Special and Local Districts Amendments

2008

- SB 47, Limited Purpose Local Government Entities Revisions

2014

- HB 17, Interlocal Act Amendments

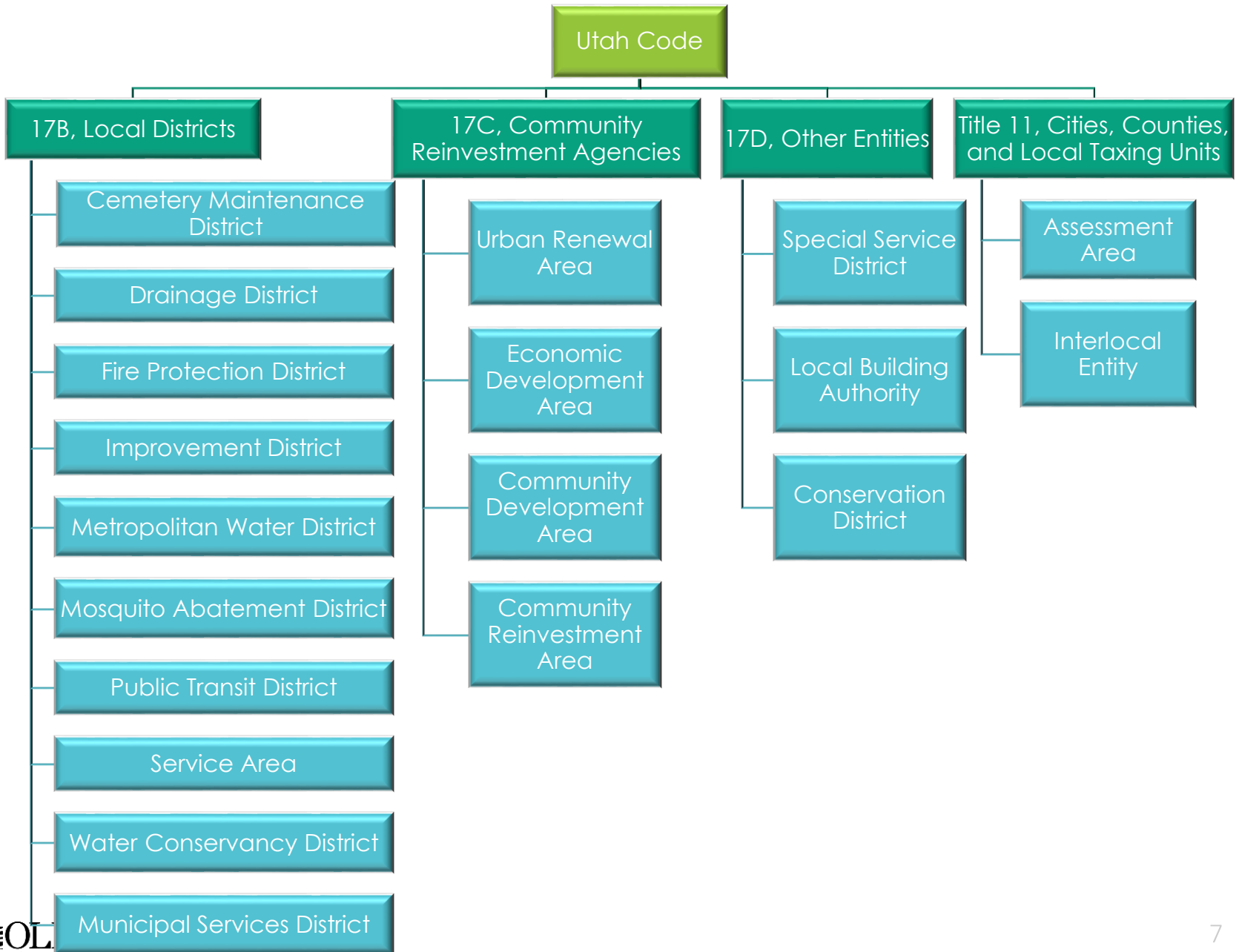
2015

- HB 190, Assessment Area Act Modifications

2016

- SB 151, Community Development and Renewal Agencies Act Amendments

Today's statutory framework

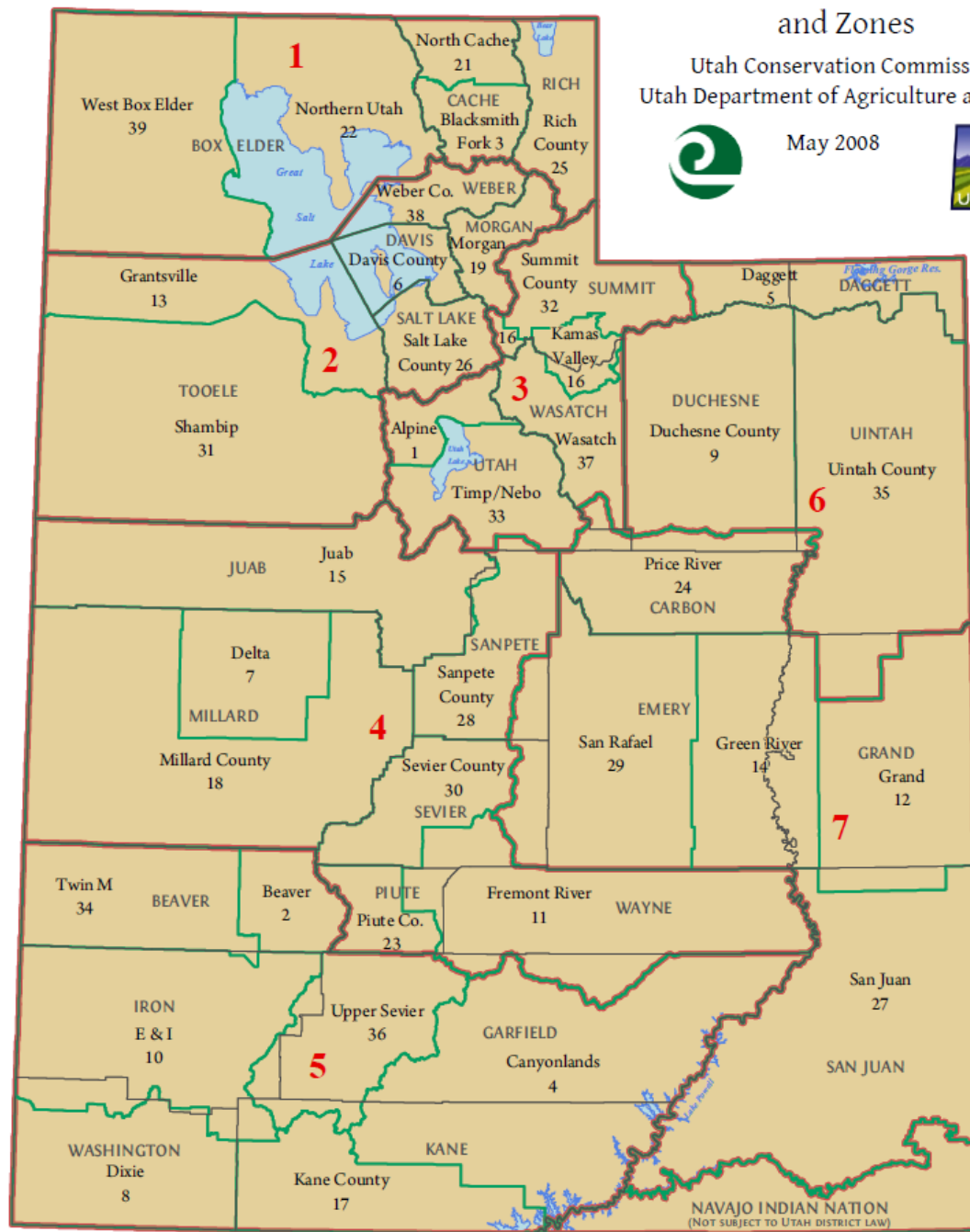


Utah Conservation Districts and Zones

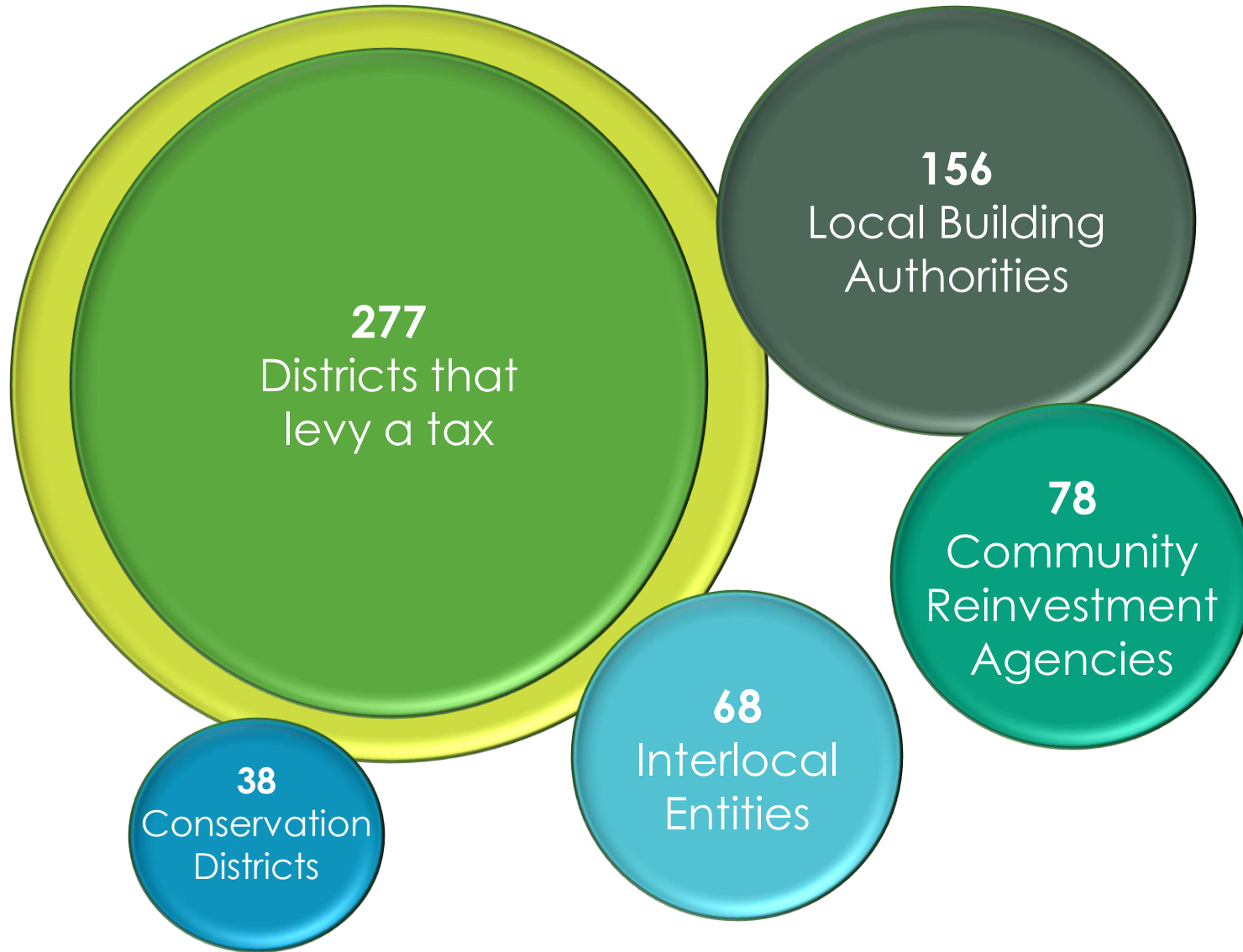
Utah Conservation Commission
Utah Department of Agriculture and Food



May 2008



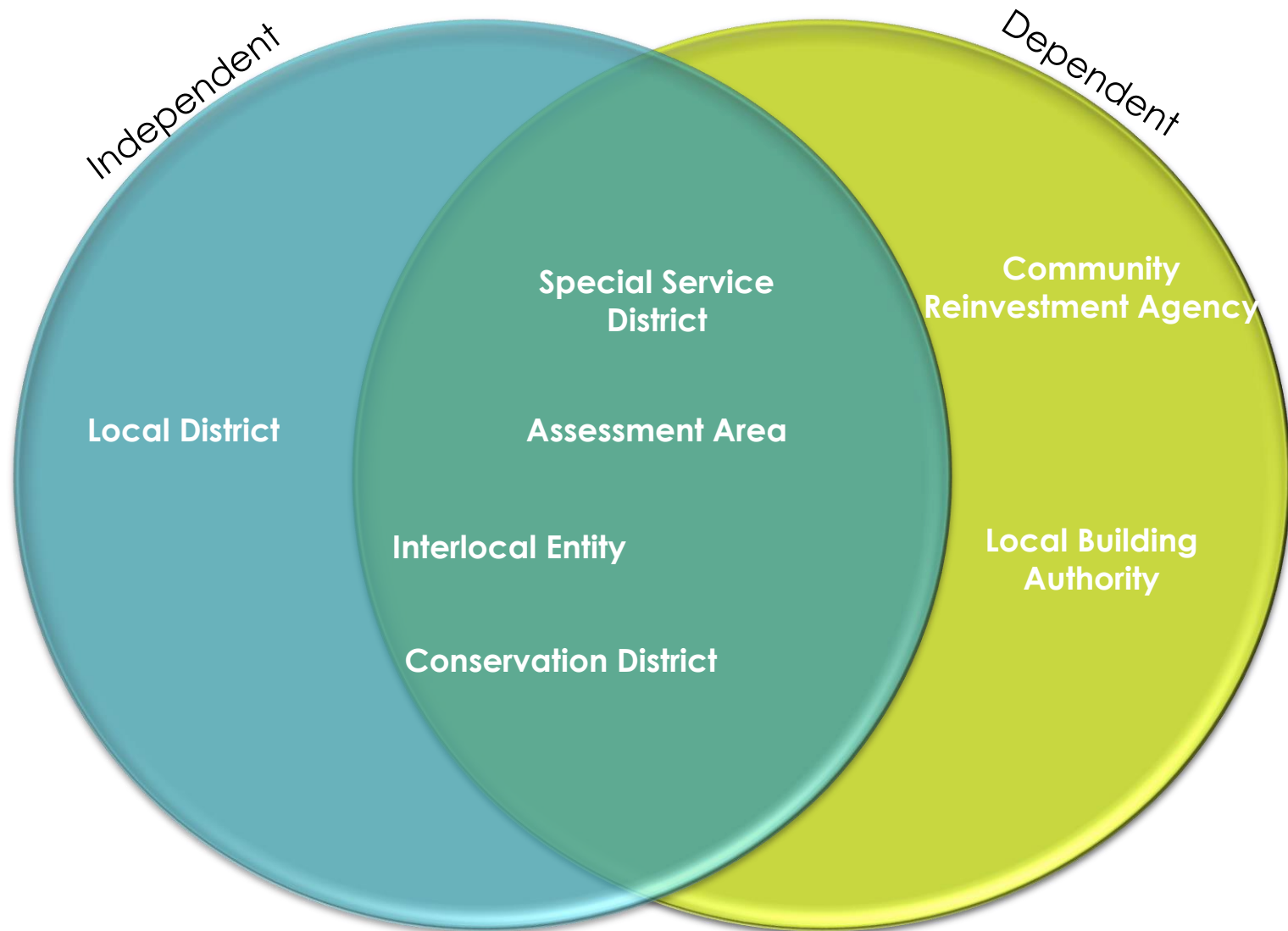
By the numbers



Creation process

	Initiation	Public Hearing	Protest Period	Election	Adopt ordinance or resolution	Record Documents	Certified by Lt. Governor
LD	Petition or Resolution	✓	✓	✓	(if election is not required)	✓	✓
SSD	Petition or Resolution	✓	✓		✓	✓	✓
AA		✓	✓		✓	✓	
CRA					✓	✓	✓
IE					Each entity executes an interlocal agreement	✓	✓
CD	Petition	✓			✓		✓
LBA					Local entity creates a nonprofit corporation	Division of Corporations and Commercial Code	

Governance



Sources of revenue

	Property Tax	Fee	Bond	Other
LD	✓	✓	✓	
SSD		✓	✓	Local government may levy a tax to pay for the district's bond debt service
AA			✓	An assessment levied on property
CRA			✓	Property tax increment or a taxing entity's sales and use tax revenue
IE		✓	✓	
CD		✓		Federal, state, private funds
LBA			✓	

Taxpayer impact

Davis County – Tax Area 005	Certified Tax Rate	% of Total Tax Rate	Annual Tax Due on \$100,000 Property
Davis County School District	.008555	65%	\$856
Davis (county)	.002153	16%	\$215
Bountiful (city)	.000957	7%	\$96
County Library (district)	.000361	3%	\$36
South Davis Recreation District	.000334	3%	\$33
South Davis County Sewer Improvement District	.000303	2%	\$30
South Davis County Water Improvement District	.000250	2%	\$25
Weber Basin Water Conservancy District	.000196	1%	\$20
Davis County Mosquito Abatement District	.000122	1%	\$12
Total	.013231	100%	\$1,323

School District = 65% of total tax rate

General Purpose Local Government Entities = 23% of total tax rate

Limited Purpose Local Government Entities = 12% of total tax rate

Fiscal procedures and oversight

	Annual budget	Quarterly financial reports	Annual financial report	Annual audit	Annual general report	Other
LD	✓	✓	✓	✓		
SSD	✓	✓	✓	✓		
AA						Assessment fund must be separate from all local entity funds
CRA	✓			✓	✓	
IE	✓	✓	✓			
CD	✓	✓	✓	✓		
LBA	✓	✓	✓	✓		

Most financial reports can be accessed online from the [Office of the State Auditor's website](#) or the [Utah Public Finance Website](#)

Dissolution process

	Initiation	Public Hearing	Adopt ordinance or resolution	Certified by Lt. Governor	Other
Active LD	Petition, 100% of property owners or registered voters	✓	✓	✓	
Inactive LD	Petition or Resolution	✓	✓	✓	
SSD			✓	✓	
AA					Term is established in the initiating resolution
CRA			✓	✓	
IE					Remains in existence for term established in the agreement, not to exceed 50 years
CD			✓	✓	
LBA			✓		

Policy issues

Addressed during 2016 General Session:

- Required local and special service district board member's contact information to be posted on the Utah Public Notice Website (SB 99)
- Removed size and budget threshold for local government participation in the Utah Public Finance Website (SB 99)
- Clarified annual reporting requirements for CRAs (SB 151)

Outstanding:

- Taxing authority, elected vs. appointed local district board members
- Auditing authority, county or municipality's authority to audit a local or special service district
- Voter participation and awareness



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